

# **TRIP REPORT**

## **Site Visit to Bamako, Mali November 9 – 21, 1999**

**By**

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## TRIP REPORT

MicroServe Africa Site Visit  
Bamako, Mali  
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## **I. EXECUTIVE SUMMARY**

The Malian micro finance industry has undergone a phase of rapid growth over the last decade and is poised to face the challenges and opportunities of a second phase of maturation. USAID's involvement in the sector can have an important impact in promoting the creation of a policy environment conducive to Small and Micro Enterprise (SME) growth and strengthening the capacity of Malian Micro Finance Intermediaries (MFIs) to deliver financial services to the poor.

The recent creation of apex organizations such as the Cellule d'Appui et de Suivi des Systèmes Mutualistes d'Épargne et de Crédit/ Systèmes de Financement Décentralisées (CAS/SFD) and the Association Professionnelle des Institutions de Microfinance (APIM) presents USAID with a unique opportunity to help the Malian MFIs move to a higher level of institutional development. At the same time, USAID's assistance to APIM, CAS/SFD and other Malian MFIs, must be tailored to the specific needs of these institutions and complimentary to efforts already being undertaken by local and international NGOs, the Government of Mali and other international donors.

Across the broad spectrum of institutions contacted during the course of this site visit, several issues emerged as key to the growth of Malian MFIs. These include a strong need for training and technical assistance in the fields of finance, accounting, internal controls, and institutional, loan management and information management. In order to serve these needs under this task order, an administrative structure should be developed that is light, flexible and inexpensive, but at the same time assures necessary coordination and follow up through an ongoing physical presence in Mali. An interactive process was used to clarify various points in the PPWS. Additional information was gathered on local resources and priorities.

## **II. SCOPE OF WORK**

In order to clarify and further develop the Request For Proposals (RFP) prepared by USAID/Mali for technical assistance through the MicroServe program, a team of financial services experts was sent to Mali to assess priorities and analyze the level of effort required to complete the Mission's goals and objectives for this task order. During the sixteen month project period, the RFP called for sectoral assessments, technical assistance and training to the USAID/Mali SEG program in order to:

1. Establish an enabling policy environment and deepen financial sector intermediation in the target market;
2. Strengthen the ability of a select group of formal and informal financial intermediaries, professional associations and government agencies to extend financial services to targeted borrowers and groups.

In assessing priorities and estimate the level of effort required to achieve the Mission's goals of policy strengthening and sectoral deepening, the team analyzed requirements for: strengthening the legal and regulatory framework governing Micro Finance Institutions (MFIs), expanding provision of formal financial sector intermediation to market, encouraging positive change through communications and enhancing collaboration in policy reform and donor coordination.

The team also evaluated priorities and estimated the level of effort required for: an institutional diagnostic and strategic plan for APIM and CAS/SFD, establishment of micro finance operating standards and rating system, development of new financial products and systems and strengthening of financial intermediaries.

In order to accomplish these goals and objectives, the team organized a document review and a series of interviews with MFIs, donors and other stake holders. This included visits with the following organizations: USAID/Mali, APIM, CAS/SFD, CANEF, PIEC, Jigyaso, Nesigiso, PARMEC/BCEAO, World Bank, Plan International, World Education, Freedom from Hunger, Save the Children and CARE International.

Finally, the team identified and assessed local resources and interviewed local consultants available for implementing the task order and made recommendations to USAID/Mali for clarifications in the SOW task order.

### **III. FINDINGS**

Though the MFI sector in Mali is still young, it has experienced an impressively rapid growth. Indicators of this rapid growth are demonstrated by the fact that between 1996 and 1998 the number of MFIs in the country jumped from 342 to 450 and their client based almost doubled from 121,000 members to 240,000 members. The volume of MFI lending also almost doubled from 5.8 billion CFA to 11.8 billion CFA in just two years. Despite this impressive growth, a recent GTZ study found that only one in three Malian MFIs are financially self-sustaining.

Although this kind of growth creates many opportunities, it also presents challenges. In a situation of rapid growth with a weak and unevenly enforced financial regulation, there is an ever-present risk of sectoral failure. The Government of Mali has attempted to address that risk through the development of a Plan of Action for the SME sector, application of the BCEAO regulations on MFIs and the creation of a CAS/SFD. MFIs themselves have also organized through the creation of APIM as the advocacy institution for the sector. Both CAS/MEC and APIM are nascent organizations that will have to grow considerably before being able to fulfill their potential.

Although few MFIs in Mali are more than 10 years old, and the majority are much younger, there are several Malian MFIs that have exhibited the capacity to be model Small and Micro Enterprise (SME) lending and savings institutions. Some of these institutions have reached financial self-sufficiency, some have demonstrated their ability to profitably reach large volumes of small-scale borrowers and some are clearly ready to move of from a first phase of growth to a second phase of consolidation and institutionalization. Others are less as sophisticated, less profitable and have not shown the potential to reach borrowers on a large scale.

Donor involvement in the SME sector is significant. (The team interviewed four donors and banks and six international NGOs.) Although donor coordination is informal and general limited to meetings of the donor committee, there appears to be good potential for improved collaboration. The World Bank and GTZ are both undertaking major SME training projects that could prove complimentary to USAID's programs.

A strong need for training and technical assistance to the MFI sector was expressed by a range of institutions. More than one institution expressed this need as greater than the need for additional capital for lending. The training needs expressed varied with the level of development of the institution and varied from basic systems and procedures to sophisticated management and planning tools.

## **IV. PRIORITIES**

In our focus interviews with more than a dozen different MFIs, donors and banks, several priority areas for training and technical assistance emerged. Many of the needs outlined below were expressed repeatedly by different institutions. Given the varying level of institutional development, provision of training in these areas will have to be modularized and targeted at specific audiences.

### **FINANCE AND ACCOUNTING**

Financial management

Financial reporting and analysis (specifically BCEAO reporting requirements)

Accounting

Auditing and internal controls

Planning for financial self-sufficiency

Budget planning and control

Cost analysis

### **MANAGEMENT**

Loan selection, management and follow up

Strategic planning

Institution building

Improving institutional and operational efficiency

MFI standards

### **INFORMATION AND COORDINATION**

MIS and data management

Communications and information sharing between MFIs

Data bank for MFIs

Credit bureau for MFI

Policy reform on interest rate cap and OHADA business legislation

Donor coordination

## **V. LOCAL RESOURCES**

In the process of gathering information necessary for the preparation of the Microserve task order, the team investigated local resources that could be used in project implementation. This included collecting and review CVs for local consultants and local consulting firms and interviewing potential candidates for the project coordinator. In addition the team checked the pricing and availability of office space and budgeted the cost of local services and other inputs necessary for the project.

## **VI. RECOMMENDATIONS**

### **A. PROJECT STAFFING**

Given the need for long term, on site coordination and follow up of institutional diagnostics and training and technical assistance provision, it is recommended that a local Project Coordinator be hired for the duration of the project. The Project Coordinator should have extensive experience in institutional assessment and development of MFIs, as well as experience in coordinating and implementing provision

of training and technical assistance using international and local consultants. Several strong candidates were identified and interviewed by the team and their references are being checked.

## **B. CAPACITY BUILDING WITHIN USAID**

It is recommended that the newly hired USAID/Mali PSC work closely with the Project Coordinator both to ensure smooth implementation of the project and to create a mentoring relationship for the PSC. This mentoring relationship will expose the PSC to international micro finance best practices and ensure that the knowledge gained from the project remains within USAID/Mali after project completion date

## **C. PRIORITIZATION OF PERFORMANCE REQUIREMENTS**

During the team's visit, it became clear that some of the performance requirement results detailed in the Chemonics report are not currently urgent priorities for Malian MFIs.

One of these is the expansion of formal financial sector intermediation through second-tier banking mechanism. This is not a current priority because few Malian MFIs have reached a level of financial self-sufficiency that would make them eligible for such assistance. Formal sector financial institutions are extremely reluctant to lend to MFIs without loan guarantees and sourcing additional capital through such a mechanism is a much less urgent priority MFIs than reaching a efficient and sustainable scope and scale of operations.

For related reasons, another performance requirement that is not a current priority is the establishment of a micro finance rating system. Fewer than a handful of Malian MFIs have reached operational self-sufficiency, which is the most basic measurement for any MFI rating system. Rating MFIs which have not reached financially self-sufficiency would offer little information of value as investors, creditors and donors are very unlikely to invest in an institution that is losing money. Development of Malian MFI standards through APIM would be a more valuable tool in strengthening the sector.

Additionally, the need for a public education campaign for MFIs to raise awareness of their services and to create sustainable change through communications is not an urgent priority. MFIs interviewed explained that awareness of the value of their services is high, as is demand for credit and savings services, and that their greatest challenge is not creating more demand, but efficiently servicing the demand that is already there.

The majority of the performance requirement results listed in the Chemonics report were, however, still priority needs for Malian MFIs. Among the more urgent needs identified by the team are the development of strategic and business plans for APIM, analysis of the policy framework currently regulated by CAS/SFD, institutional diagnostics of MFIs and development of appropriated technical assistance/training modules (with particular emphasis on the finance and accounting, management and information and coordination detailed above) and finally development of nation-wide MFI operating standards.

## **D. REVISION OF PERFORMANCE STANDARDS**

In evaluating the feasibility of achieving the performance standards outlined in the MicroServe Task Order RPF, it became clear that some of these standards would clearly not be reached during the life of the project. For example, although the objective of strengthening the legal and regulatory framework governing micro finance is still a priority, any changes to this framework must take place at the regional level with the BCEAO. It is not realistic to expect that during the limited life of the project that such changes will be introduced, debated and implemented on a regional level. It is therefore recommended

that performance standards be adjusted to reflect achievable objectives such as introduction and debate of changed legislation at a national level and presentation of proposed legislation at a regional level. Other such changes should be outlined in the project proposal itself.

## ANNEXES

### ANNEX 1 INTERVIEW SUMMARIES

#### I. APEX ORGANIZATIONS

##### A. *Cellule d'Appui et de Suivi des Systemes Mutualistes d'Epargne et de Credit/ Systemes de Financement Decentralises (CAS/SFD)*

###### **Organizational Development**

CAS/SFD forms a key part of the Government of Mali's Plan of Action for Micro Finance Development. It also serves as the government organ charged with implementing BCEAO policy regarding the regulation of MFIs. Although CAS/SFD's responsibilities have recently been significantly expanded, they lack the financial and human resources to effectively carry out their mandate of accrediting, monitoring and supervising of the more than 450 MFI's and 4750 credit groups in Mali (e.g. in 1998 CAS/SFD was unable to carry out any field visits to its members).

###### **Technical Assistance Needs**

Training for MFIs in accounting, financial reporting, financial analysis.  
Training for MFIs and auditing firms in BCEAO standards.  
Banking, finance and refinance facilities specifically targeted on MFIs.  
Additional human and financial resources to carry out auditing functions.  
Improved auditing, monitoring and reporting capacity at CAS/SFD.

###### **Other Relevant Information**

CAS/SFD evaluates applications for accreditation under two different regulatory frameworks, one for cooperative savings and credit societies (evaluated and approved by CAS/SFD) and the other for non-cooperative savings and credit societies (evaluated and approved by CAS/SFD and the Malian Central Bank). Cooperative savings and credit societies are evaluated for accreditation on the basis of seven ratios as defined by the BCEAO. (Such ratios do not exist for non-cooperative MFIs, which are evaluated based on less formal criteria.) Although CAS/SFD is unable to effectively audit all its members, the BCEAO is reluctant to let private auditing firms undertake audits on behalf of CAS/SFD.

##### B. *Association Professionnelle des Institutions de Microfinance (APIM)*

###### **Organizational Development**

Although discussions regarding the formation of an advocacy association for the micro finance sector began in 1992, APIM was only formally recognized as an association in October 1999. It has a staff of 4 and a membership of 17 but lacks its own offices and has yet to collect fees from any of its members.

APIM is the only association linking Malian MFIs financed by different donors and operating under different institutional structures. It plans to provide training in management and finance, to keep its members informed of BCEAO rules and regulations governing micro finance institutions, to assist them with the registration process and to provide technical assistance on a fee for service basis. APIM also plans to organize a needs assessment of its members, develop a databank on Malian MFIs and establish regional MFI credit bureaus. Member associations have described the benefits of being in APIM as information gathering, experience sharing and staying current with trends in the MFI sector.

###### **Technical Assistance Needs**



APIM is currently writing a request for assistance in developing country-wide financial and ethical standards for MFIs.

Assistance is also needed in developing the institutional capacity of APIM itself to deliver training and technical support to its members.

A strategic plan must be developed for the association.

### **Other Relevant Information**

APIM is being considered as the institutional home for a GTZ-sponsored micro finance training center. A recent GTZ feasibility study on this center should be available in early 2000. The Swiss are also providing assistance to APIM, but their representative was unable to meet with the team.

## **II. MICRO FINANCE INTERMEDIARIES**

### **A. *Programme Institutionel d'Epargne et Credit (PIEC )***

#### **Organizational Development**

Originally created in 1995 as a World Education program, PIEC, has applied for currently awaiting legal recognition as an independent savings and credit association. They have experienced major growing pains, many of which are due to their choice to use the Microbanker MIS system to manage their loan portfolio. Under new leadership PIEC has attained significant size (+8,100 borrowers, up from 3,000 a year ago) in a short amount of time and are approaching operational self-sufficiency.

Their lending portfolio is divided into small groups of between 5 and 10 borrowers (the majority of their clients), larger groups of between 10 and 30 borrowers and individual borrowers. Loan terms vary between 4 months (for first time borrowers) and 12 months (for 3<sup>rd</sup> time borrowers).

#### **Technical Assistance Needs**

PIEC urgently needs an effective French language MIS to replace Microbanker.

PIEC needs improved accounting and financial management systems.

PIEC staff need training in management, financial systems and in operating an MIS system.

### **Other Relevant Information**

PIEC continues to receive grant assistance from World Education through USAID IGP program. This assistance will expire in June 2001.

### **B. *Jigiyaso***

#### **Organizational Development**

Founded by World Education in 1991, Jigiyaso became an independent association of 19 women's credit unions in 1997. The union currently has 5,000 members and a 150 million CFA loan portfolio of 1,500 loans. They are still in the process of establishing institutional autonomy and recruiting for an Executive Director. Jigiyaso is only 26% financially self-sustaining and still dependent on World Education for both financial and technical assistance.

#### **Technical Assistance Needs**

Jigiyaso needs assistance in developing strategies to operationalize and institutionalize its credit union structure.

It will also need assistance in creating a plan for achieving financial viability by increasing income and decreasing expenses.

Additional needs include branch level Management Information Systems and staff training in business management, financial management, accounting and internal controls, auditing and marketing.

#### **Other Relevant Information**

Jigiyaso only offers loans to women members and is based largely in Bamako.

#### *C. Centre pour la Nutrition et Soutien Economique des Femmes (CANEF)*

##### **Organizational Development**

Originally founded by Freedom from Hunger, CANEF became an independent institution in 1992. CANEF currently has a network of 13 branches with a total of 53 employees. They recently partially decapitalized its loan portfolio in order to repay a loan of \$2 million from the Banque Nationale du Developpement Agricole. They have applied for a follow on loan of \$ 3.3 million (for 1 year at 8% interest), but until this loan is approved will be forced to loan on a smaller scale using their own capital. In the face of competition from other MFIs, CANEF plans to expand its branch network and its savings portfolio in order to increase its profitability.

##### **Technical Assistance Needs**

The most urgent need for technical assistance expressed by CANEF is for support in analyzing their costs and income in order to develop a plan to achieve financial self-sufficiency. They also need to work out accessing additional capital to expand their loan portfolio so that they can deliver on their promise of guaranteed repeat loans for on-time repayers.

#### **Other Relevant Information**

Previously CANEF only loaned to groups of up to 5 entrepreneurs, but they have begun to lend to individuals on a small scale. They are presently testing a MIS system that they themselves designed using Microsoft Access. CANEF has found that its present incentive system for loan officers based on number of new loans and number of total clients is too expensive and is planning cost cutting measures.

#### *D. Nyesigiso*

##### **Organizational Development**

Started as a pilot by Desjardins in 1990, Nyesigiso has evolved from a donor-funded project into an independent association with 300 staff, 2 regional offices, 50 branches, 66,000 members and 6 billion CFA in assets. It is considered one of the most successful MFI programs in Mali. (The association still receives significant financial and technical assistance from the Canadians.)

Nyesigiso is currently slowing the growth of its lending portfolio (which has currently been growing at 25% per year) in order to ensure the quality of its loans and its branch network. Despite this, they have recently received an 800 million CFA loan guarantee from the World Bank. (Nyesigiso also receives grant money from the Government of Mali to help defray the cost of opening new branch offices.)

In an effort to improve cost recovery, Nyesigiso recently increased the interest rate charged on its loans from 12% to 21%. Nyesigiso pays no interest on savings deposits and is considering charging clients for saving services (the cost of offering savings services is currently great than the revenue they produce).

### **Technical Assistance Needs**

According to Nyesigiso, their principal needs are achieving financial autonomy and technical self-sufficiency and improving financial management at the branch level.

They also require assistance in consolidating and improving the efficiency of their activities through better budget planning and control (both at national and local levels).

Their training needs include lending methodology, loan management and follow up, financial management, accounting and internal controls (particularly on BCEAO standards) and human resource management.

They also expressed the need of training of their branch leadership in accounting, information management and loan management.

According to their Canadian technical advisor, Nyesigiso needs to focus particularly on training (and training of trainers) in credit management to build the capacity of their branches in poorer urban neighborhoods.

### **Other Relevant Information**

Nyesigiso offers a diversified selection of 5 loan products including women's credit, credit with education, commercialization of cereals, entrepreneur and trader loans and household improvement loans, each charging a different interest rate and each tailored to the needs of different clients. They are receiving technical assistance to develop and MIS system to replace their current spreadsheet and manually based system (although because of the huge cost of computerization, branch offices will likely maintain manual accounting systems).

## **III. DONOR/FINANCIAL ORGANIZATIONS**

### **A. *World Bank***

#### **Organizational Development**

The World Bank has offered institutional support to APIM and CAS/SFD in setting up their offices and credit guarantees through the IFC to Nyesigiso and Kafo Jiginew. A loan guarantee will also be provided to the Caisses Villagoises du Pays Dogon. An evaluation team was in country in November 1999 to develop an action plan for the Bank's assistance to MFIs. (This report should be available in early 2000.) Total Bank commitments to the MFI sector are projected to be 1.2 billion CFA over the next 4 years. The Bank also has project preparation funds totaling \$500,000, some of which will be used for training.

#### **Technical Assistance Needs**

The Bank has little local technical capacity for MFI institutional support and relies heavily on outside experts for program support. The recently departed World Bank technical mission will be developing the Bank's MFI support strategy.

#### **Other Relevant Information**

There are many commonalities between the Bank's focus and approach and those of USAID, and the Bank appears to be very open to collaboration. Consultation with the Bank will be essential on, among other issues, cost sharing by participants for training services and support for the establishment of a MFI training center. (More than half of the Bank's assistance to MFIs is in the form of training.)

### **B. *Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Projet d'Appui et de Suivi des Systemes Mutualistes d'Epargne et de Credit (PARMEC)***

#### **Organizational Development**

It is the overall responsibility of the BCEAO to supervise, regulate and maintain the health of the MFI sector. Although microfinance has recently received greater attention at headquarter's level in Dakar, the BCEAO's capacity to regulate and support MFIs is limited both regionally and on the local level. (BCEAO/Mali has a small correspondent monitoring unit to the MFI Mission in Dakar but does not have enough resources to effectively cover all of the MFIs in Mali.)

The BCEAO admits that information regarding its rules and regulations needs better distribution and is open to collaborating on the development and implementation of further training programs. They would be pleased to support APIM in this role. The BCEAO's capacity to offer training of the scope and scale required to ensure compliance with its regulations is extremely limited. (Although they offered a training course for MFIs six months ago it was oversubscribed and have not been able to organize any follow on training.)

#### **Technical Assistance Needs**

The BCEAO describes the principal needs of Malian MFIs as training in accounting and financial reporting, analysis and regulation. On the local level the needs are for training of branch leaders and members in loan and business management and internal controls.

#### **Other Relevant Information**

The BCEAO describes the banking sector in Mali as generally weak and citing the BNDA as one of the stronger banks in the country and one of the most involved in the MFI sector. Although the BCEAO agrees that focusing on development of a small number of model MFIs is the most effective strategy for developing the sector, they note a reluctance on the part of many MFIs to share lessons learned from their success with others in the sector.

### *C. Banque Nationale du Developpement Agricole (BNDA)*

#### **Organizational Development**

The BNDA is one of a small number of Malian banks to emerge relatively solvent in the wake of the banking crisis of the late '80's, and one of the few to actively pursue MFI clients as part of their commercial development strategy. The BNDA currently holds a portfolio of 2.7 billion CFA of refinance loans to MFIs at a rate of 8%. These loans are financed in part by a German line of credit and in part by the BNDA's own funds. Although the BNDA does offer short term (1 year) MFI refinancing loans, they hesitate to make longer term loans without loan guarantees. The BNDA has received a grant from the French to help establish rural savings and credit branches. A five year plan to create new branches has also been funded by the French. With the assistance of an outside consulting firm, the BNDA has developed training programs for its clients in the field and its staff at headquarters. Staff training involves several months of hands-on orientation to the operations of the bank.

#### **Technical Assistance Needs**

The BNDA has expressed interest in getting to know MFI clients better and to collaborating with other donors. As a way to get to know MFIs better, the BNDA proposed the idea of an open house day for bankers at the MFIs.

#### **Other Relevant Information**

MFI borrowers are only eligible if they are registered with CAS/SFD, have strong lending experience and a clear vision and have been audited by a legitimate accounting firm. Borrowers are required to hold 10% of the value of the loan in savings with BNDA as security.

Although the BNDA says that a MFI credit rating system would be helpful, they stress that it would have to be administered by a private, independent (and preferably already existing) institution. It was further suggested that neither CAS/SFD, nor APIM would be able to fill this role as institutions and that neither the BCEAO nor the Bankers' Association currently have the administrative capacity.

The BNDA is aware that a number of savings and credit branch offices have organized their own credit bureau, but doubts that such a system would work on a national level without outside support.

#### *D. GTZ*

##### **Organizational Development**

The Germans have offered significant support to the micro finance sector in Mali, in particular through provision of a long term technical advisor to CAS/SFD and through creation of a proposed micro finance training center. This center will offer a score of different modulized local language courses for micro entrepreneurs including literacy, numeracy, branch leadership, accounting, risk management and numerous other business related courses. The feasibility study for this center has just been completed and will be distributed at the beginning of the New Year.

##### **Technical Assistance Needs**

The Germans are interested in organizing feasibility studies of new micro finance products such as health, life, and funeral insurance.

##### **Other Relevant Information**

The Germans, along with the World Bank, are major actors in the MFI field and should be key collaborators. The presence of their technical advisor at CAS/SFD can also be an important asset. USAID should continue to monitor developments in German plans to create an SME training center.

#### **IV. INTERNATIONAL NGOs**

##### *A. CARE International*

##### **Organizational Development**

CARE International has worked in Mali for more than 25 years and currently has a staff complement of more than 300. Until five years ago CARE was involved in direct provision of financial services, but in a change of policy they now support capacity building of partner MFIs and solidarity group associations. CARE's ROCAM project began a year ago to help institutionalize MFI partners and link them with other financial institutions in the sector. Assistance provided by CARE include training (especially in management and institution building), financial assistance (start up loans) and exchange visits in the region.

##### **Technical Assistance Needs**

CARE has expressed the need to build up its technical capacity in the MFI sector and to improve its access to technical trainers.

##### **Other Relevant Information**

CARE has little local technical capacity for MFI institutional support and relies heavily on outside experts for program support. Despite a lack of technical capacity, CARE has a very strong field presence, which if coupled with the efforts of more donors with stronger MFI capacity could be an extremely valuable asset.

Although CARE has focused its assistance on the least formal MFIs, they are also collaborating with formal sector financial institutions such as the BNDA and the Malian Textile Development Company (CMDT).

*B.        Developpement International Desjardins*

**Organizational Development**

Desjardins, which began as a cooperative financial institution in Quebec, created Nyesigiso as a pilot project in 1990. Desjardins currently funds three technical advisors to Nyesigiso and will continue to offer direct support for at least another 6 years. Next year Desjardins will help Nyesigiso to install a new MIS system.

**Other Relevant Information**

According to the Desjardins technical advisor, the recently implemented OHADA laws (Organisation pour la Harmonisation des Droits d’Affaires) represent a regional policy constraint that has had a strong negative effect on the ability of lenders to realize collateral loan guarantees.

*C.        Freedom from Hunger*

**Organizational Development**

Through Implementation Grant Program assistance from USAID, Freedom from Hunger is supporting Kafo Jiginew and Nyesigiso. (Their IGP grant expires in 2002.) The principal service it offers is technical support for its Credit with Education program.

**Technical Assistance Needs**

Freedom from Hunger has identified the following forms of technical assistance as priorities for the intermediaries it is supporting: internal controls and auditing, practical financial management tools, improving efficiency, operationalizing Management Information Systems, team management and developing MFI standards.

**Other Relevant Information**

Freedom recommends that all training delivered to MFIs be tools based and be programmed as short, regular courses with ongoing follow up. They distinguish between the type of training needed by first generation MFIs in basic lending methodology and second generation organizations in improving efficiency and diversifying their product offerings.

*D.        Plan International*

**Organizational Development**

Plan International has recently begun its MFI support program. Plan offers a combination of financial assistance (with USAID money), training in international MFI best practices. They also offer credit with education and are investigating linking credit with their nutrition and health programs. They are currently organizing a pilot support program for Nyesigiso through a line of credit and with assistance in establishing regional branches in Kita and Banaba.

**Technical Assistance Needs**

In the MFI sector in general, Plan has identified the need for improved consolidation of efforts and development of a communication and exchange network, along with a data bank on micro finance through APIM as a priority.

For individual MFIs, Plan describes planning for growth and training of branch level staff in financial analysis and PARMEC accounting systems and standards as key.

#### **Other Relevant Information**

Plan has one local staff member focused on MFI support. Other technical services are provided by international or local consultants.

#### *E. Save the Children*

##### **Organizational Development**

Save the Children's involvement in the micro finance sector is principally through running the Group Guaranteed Lending and Savings (GGLS) and Faso Jigi programs. Save is preparing a business plan to take both of these projects to institutional autonomy (although they are currently operating at only 21% and 13% financial self-sufficiency). Save has a grant through the IGP program through which it has been offering assistance to GGLS and Faso Jigi.

##### **Technical Assistance Needs**

Save expressed interest in training of trainers for its field agents in group mobilization and leadership, accounting, adult education methodology, literacy and numeracy.

They further stated that they would like training in BCEAO and Government of Mali regulations and reporting requirements.

##### **Other Relevant Information**

Save would like to play an active part in the information and idea sharing network that APIM is tasked to create.

#### *F. World Education*

##### **Organizational Development**

Although the main focus of World Education's Mali program is on community schools, literacy and health, they have had significant involvement with the credit union sector. For example, they had a key role in the creation and early development of, Jigiyaso and PIEC. Since both of these groups are now independent organizations, World Ed withdrawn from direct involvement in their management, but still provides consulting and technical assistance services (and in the case of Jigiyaso, also rents office space). World Ed had formerly used local consulting firms for this purpose, but now provides services directly to its partners on a fee basis.

##### **Technical Assistance Needs**

On the local level, World Ed says that its partners need training in leadership, business and office management and institutional development. On the credit union level training is needed in accounting and auditing, financial reporting (particularly BCEAO reporting requirements), financial analysis and business management. On a policy level, World Ed feels that there is a need for reform in making the registration process for associations more user friendly. As an institution, World Ed says that it needs financial assistance in order to develop its credit union partners, which it would rather do on its own instead of using outside technical assistance.

**Other Relevant Information**

Although the institutions World Ed is supporting show promise, both face major challenges to growth and are far from achieving financial self-sufficiency. World Ed has performed a sensitivity analysis of the interest rate required for its partner PIEC to break even and arrived at 27% (the legal maximum) plus 5% loan fees (assuming the portfolio turns over every three months).



## **ANNEX 2     INTERVIEW SCHEDULE**

**WEDNESDAY 10/11/99**

*USAID/Bamako*

Roger Bloom

Helene Ballo

*Cellule d'Appui et de Suivi des Systemes Mutualistes d'Epargne et de Credit/ Systemes de Financement  
Decentralises (CAS/SFD)*

Youssouf Traore

Roland Siebeke

**THURSDAY 11/11/99**

*Programme Institutionnel d'Epargne et Credit (PIEC)*

Kaaba Soumare

*Association Professionnelle des Institutions de Microfinance (APIM)*

Bakary Traore

*Jigiyaso*

Noury N'dyne Sanogo

*Nyesigiso*

Mohamed Maiga

Adama Sissoko

Famakan Kamissoko

**FRIDAY 12/11/99**

*Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)*

*Projet d'Appui et de Suivi des Systemes Mutualistes d'Epargne et de Credit (PARMEC)*

Souahibou Diaby

**MONDAY 15/11/99**

*Freedom from Hunger*

Martine Perreault

Peggy Roark

*Plan International*

Nana Toure

*Centre pour la Nutrition et Soutien Economique des Femmes (CANEF)*

Bakary Traore

**TUESDAY 16/11/99**

*World Bank*

Diame Youssouf Thiam

*World Education*

Chet Eschelman

WEDNESDAY 17/11/99

*Banque Nationale du Developpement Agricole (BNDA)*

Sadio Samasekou

*Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)*

Roland Siebeke (CAS/SFD Technical Advisor)

THURSDAY 17/11/99

*Developpement International Desjardins*

Serge Leveille

*Save the Children*

Adama Camara

FRIDAY 18/11/99

*USAID/SEG*

Roger Bloom

Lawrence Pauley

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